



المركز الوطني لإدارة الدين
NATIONAL DEBT MANAGEMENT CENTER

Green Bond Allocation Report

Kingdom of Saudi Arabia

March 2026

Introduction

The Kingdom of Saudi Arabia (“KSA” or “Kingdom”) is fully committed to creating a better environment for future generations and to long-term economic prosperity for the nation through:

**Demonstrating leadership
in sustainable finance
within the region**

**Encouraging more public
and private initiatives
towards climate and
environmental finance**

**Enabling the management
of emissions while utilizing
resources in a sustainable
manner**

The Kingdom is committed to the Paris Agreement and its implementation. In October 2021, the Kingdom announced its aim to reach net zero emissions by 2060 and published an ambitious Updated First Nationally Determined Contributions (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) secretariat¹.

The Kingdom’s ambition relies on all actors in the economy and comprises an innovative circular carbon economy (CCE) program.

The Kingdom is developing and implementing holistic and harmonized programs, policies, initiatives, and collaboration platforms to address climate change challenges at the national, regional and global level.

Examples include the Saudi Green Initiative, the Middle East Green Initiative, the Circular Carbon Economy National Program, the National Renewable Energy Program, and the Saudi Energy Efficiency Program.



¹ <https://unfccc.int/sites/default/files/resource/202203111154---KSA%20NDC%202021.pdf>

Introduction

Saudi Arabia's Vision 2030

To chart a path for economic diversification and ensure sustainable access to natural resources, the Kingdom has embarked on its Vision 2030 agenda. Vision 2030 is a sustainable vision for the future of Kingdom of Saudi Arabia with sustainability at the heart of everything the Kingdom does, from policy development and investment to planning and infrastructure.

By creatively and responsibly addressing the energy and climate challenges of today, Vision 2030 inspires others around the world to share in building a sustainable tomorrow. Vision 2030 focuses on enhancing productivity, increasing the contribution of the private sector and empowering the third sector.

The Vision is based on three pillars:

Vibrant Society

Thriving Economy

Ambitious Nation

Rationale for KSA's Green Financing Framework:

The Paris Agreement aims to strengthen the global response to the threat of climate change and identifies that one of the main three levers to reach this aim is by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

In line with the Paris Agreement, the Kingdom recognizes the CCE approach, which was endorsed by G20 Leaders, as a comprehensive framework that guides green project investment as it focuses on enabling the management of emissions while utilizing resources in a sustainable manner.

The fundamental goal of the CCE is to prevent atmospheric carbon dioxide and other greenhouse gas emissions through the four Rs (Reduce, Reuse, Recycle, and Remove). The Kingdom recognizes that the CCE is consistent with global green finance principles. The Kingdom will require large amounts of investment, stemming from both the public and private sectors to finance climate commitments.

In light of the above, the Kingdom of Saudi Arabia has established its Green Financing Framework (the "Framework") in accordance with the Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1), as published by ICMA. Under this Framework, the Kingdom will be able to issue Green Bond(s) / Sukuk. All information pertaining to KSA's Green Financing Programme, including the Framework and the Second Party Opinion from Moody's Ratings, can be found on the NDMC Investor Relations Website².

The Framework and subsequent issuance are major steps in demonstrating leadership in sustainable finance within the region, and with this, the Kingdom aims to encourage more public and private initiatives towards climate and environmental finance.

⁽²⁾ https://www.ndmc.gov.sa/en/investorsrelations/Pages/Green_Framework.aspx

Issuance Details

On Tuesday, 25th February 2025, the Kingdom of Saudi Arabia (“KSA”) successfully priced its inaugural EUR 1.5bn 144A/RegS Green bond under its Green Financing Framework. The transaction priced at MS+115bps. The offering marks the Kingdom’s first ever ESG-labelled bond and as such, we have included the issuance details below.

Issuer’s Ratings Aa3 (Stable) / A+ (Stable) (Moody's/Fitch)	Expected Issue Ratings Aa3 / A+ (Moody's/Fitch)	Status 144A / RegS, Registered
Format Senior unsecured	Pricing Date 25 February 2025	Settlement Date 5 March 2025 (T+6)
Issue Size & Currency EUR 1,500,000,000	Tenor 7-year	Maturity Date 5 March 2032
Reference EUR Mid-Swap Rate 2.308%	Spread to Benchmark MS+115bps	Reoffer Yield 3.458%
Coupon 3.375%	Issue Price 99.492%	Governing Law English Law
Documentation Global Medium Term Note Programme	Listing London Stock Exchange plc’s main market	Net Proceeds (Issue Price x Issue Size) EUR 1,492,380,000
Denominations EUR 100,000 and Integral multiples of EUR 1,000 in excess thereof	Use of Proceeds To finance or refinance projects or expenditures in the Kingdom of Saudi categories as set out in the Framework Arabia, in part or in full, which qualify under the eligible green project	

KSA’s inaugural Green Bond is listed on the London Stock Exchange’s Main Market and Sustainable Bond Market. KSA’s inaugural Green Bond also is tagged with the “Green Leaf” on Bloomberg.

Framework Summary and Project Selection and Evaluation Process

The Kingdom of Saudi Arabia has allocated the proceeds raised from the inaugural Green Bond to finance new or re-finance existing projects/expenditures, in part or in full, which qualify under the eligible green project categories as set out below³:

1. Environmentally sustainable management of living natural resources and land use
2. Energy efficiency
3. Renewable energy
4. Clean transportation
5. Pollution prevention and control
6. Sustainable water and wastewater management
7. Climate change adaptation
8. Terrestrial and aquatic biodiversity

Existing projects/expenditures refer to projects which have been undertaken up to 36 months before the issuance of any Green Bond/Sukuk. The net proceeds will be allocated to eligible budgetary programmes in the General Budget of the Kingdom of Saudi Arabia, within two budget years following the issuance of any Green Bond/Sukuk.

For each Green Bond/Sukuk issued, the Kingdom of Saudi Arabia asserts that it will not use the proceeds for:

- Alcohol, weapons, tobacco, gaming⁴, or palm oil industries
- Child labor or forced labor

The Kingdom of Saudi Arabia has established a **Main Committee** (“Sustainable Financing Committee”) to oversee the Kingdom’s green bonds/sukuk issuances. It has also established a sub-committee (“Projects and Monitoring Committee”) reporting to the Sustainable Financing Committee.

The Sustainable Financing Committee will be responsible for:

1. Overseeing the implementation of this Green Financing Framework
2. Validating the final Eligible Projects list.
3. Validating the allocation and impact reporting.

The Sustainable Financing Committee consists of the following key/permanent ministries with flexibility to add others:



وزارة المالية
Ministry of Finance

The Minister of Finance
(The Chairman)



وزارة الاقتصاد والتخطيط
MINISTRY OF ECONOMY & PLANNING

The Minister of Economy and Planning



وزارة الطاقة
MINISTRY OF ENERGY

The Minister of Energy



وزارة البيئة والمياه والزراعة
Ministry of Environment Water & Agriculture

The Minister of Environment, Water and Agriculture



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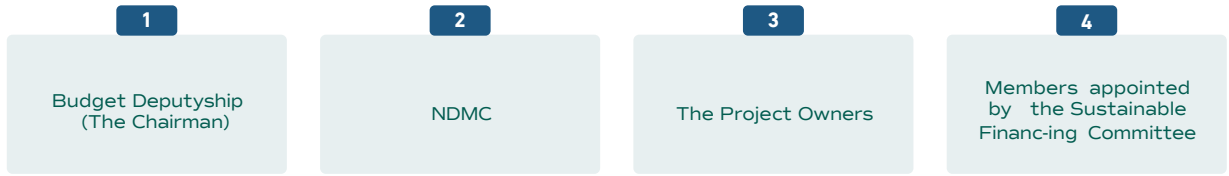
The NDMC CEO

- Any other Members appointed by the Committee
- Individuals outside the Committee may be invited to attend the Committee's meetings without having the right to vote

⁽³⁾ Further details available in the Kingdom of Saudi Arabia's Green Financing Framework (March 2024): <https://ndmc.gov.sa/investorsrelations/Documents/Green-Financing-Framework-KSA-23March2024.pdf>

⁽⁴⁾ Refers to forms of entertainment involving financial gain and loss based upon risk

The Sustainable Financing Committee will be chaired by the Minister of Finance, with Committee meetings held at least twice a year, at the beginning and half of each fiscal year. The Chairman nonetheless may call extraordinary meetings. Additionally, the Kingdom has formed one sub-committee, the Projects and Monitoring Committee, which will report to the Sustainable Financing Committee. The sub-committee is composed of the following members:



Subject to the Chairman approval, individuals outside the sub-committee may be invited to attend the sub-committee’s meetings without having the right to vote.

The sub-committee will meet on a quarterly basis. The Chairman nonetheless may call extraordinary meetings. The sub-committee is vested with the following powers and responsibilities:

1. Identify eligible projects to be allocated for the Kingdom’s Green Financing Framework
2. Review and verify that the eligible projects meet the eligibility criteria as set out in the Committees Regulations⁵
3. Submit for approval to the Sustainable Financing Committee the eligible projects to be included in the Kingdom’s ESG program
4. Review and monitor the allocation of the proceeds of the issued Kingdom’s ESG Program
5. Review and recommend updating the Framework and/or Committees Regulations if necessary
6. Recommend for approval to the Sustainable Financing Committee the replacement of any expenditure which is no longer eligible with other eligible projects expenditures
7. Prepare and validate the annual reporting as described under ‘section 4. Reporting’ of the Green Financing Framework.
8. Notifying the Sustainable Financing Committee of any compliance breaches
9. Receiving regular reports from the relevant stakeholders to perform its assigned tasks
10. Devise risk strategies and the mechanism to ensure effective risk management of risks related to the Kingdom’s ESG Program
11. Submit its risk assessment to the Sustainable Financing Committee on a periodic basis as set by the Sustainable Financing Committee
12. Any other duty as mandated by the Sustainable Financing Committee
13. Perform the tasks necessary to achieve the Committee purposes in accordance with the regulations governing it

⁽⁵⁾ The Sub-committee met with each of the Project Owners to ensure full alignment of the projects chosen with the eligibility criteria in the Green Financing Framework

Allocation Report

The amount of net proceeds from the issuance has been allocated, in accordance with the Framework. Allocation data is provided in EUR. As all projects are in SAR, the exchange rate at the time of issuance has been used to convert the SAR figures to EUR⁶.

Breakdown by GBP Project Category

GBP Project Category	Allocation (EUR m)	Allocation (%)
Environmentally Sustainable Management of Living Natural Resources and Land Use	1,122.28	75.2%
Climate Change Adaptation	139.63	9.4%
Renewable Energy	92.42	6.2%
Energy Efficiency	74.10	5.0%
Terrestrial and Aquatic Biodiversity	63.94	4.3%
Total	1,492.38	100.0%

Breakdown by Region

100% of projects receiving allocations were located in the Kingdom of Saudi Arabia. Although most projects/expenses function across the entire Kingdom, some of the projects are located in the Central region, West coast, and Eastern region of the Kingdom of Saudi Arabia.

Breakdown by Expenditure Type

Expenditure Type	Allocation (EUR m)	Allocation (%)
CapEx	572.22	38.3%
OpEx	920.16	61.7%
Total	1,492.38	100.0%

Breakdown by Refinancing vs New Financing

Financing Type	Allocation (EUR m)	Allocation (%)
Refinancing	1,023.10	68.6%
New Financing	469.28	31.4%
Total	1,492.38	100.0%

Given the issuance settlement date on 5th March 2025, and the 36-month lookback period present in the Framework, “Refinancing” refers to allocations made against eligible green projects in 2022 (from March onwards), 2023 and 2024, while “New Financing” refers to allocations made against eligible green projects in 2025 and 2026⁷.

⁽⁶⁾ Exchange Rate of SAR:EUR 1:0.2536 as of 25 February 2025

⁽⁷⁾ Data for 2022, 2023, 2024 and 2025 is based on actual expenditure, while data for 2026 is based on budgeted data. In the event that actual expenditure for 2026 is materially different to budgeted data, this will be communicated.



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